

Message Text

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ACTION H-02

INFO OCT-01 ARA-10 ISO-00 SCSE-00 SCA-01 /014 W

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P 072130Z JAN 76

FM AMCONSUL CIUDAD JUAREZ

TO SECSTATE WASHDC PRIORITY 589

UNCLAS CIUDAD JUAREZ 0004

H PASS: HONORABLE FREDERICK W. RICHMOND, HOUSE OF
REPRESENTATIVES, WASHINGTON, D. C.

E.O. 11652: N/A

TAGS: CPRS (SHAIFER, NORMAN)

SUBJECT: PROPERTY: DENIAL OF EXIT PERMIT FOR PLANT
EQUIPMENT

REF: STATE 2284

1. IN NOVEMBER 1974 ARTES GRAFICAS DE JUAREZ, S.A. PLANNED TEMPORARY SUSPENSION OF 80 PERCENT OF ITS EMPLOYEES DUE TO BUSINESS CONDITIONS AT THAT TIME. UNDER MEXICAN LABOR LAW, FIRM WAS REQUIRED TO PAY LAID-OFF EMPLOYEES ONE MONTH'S SALARY PLUS CHRISTMAS BONUS IN LUMP SUM. FIRM OFFERED TO INDEMNIFY EMPLOYEES IN WEEKLY INSTALLMENTS BUT EMPLOYEES REFUSED TO ACCEPT SUCH SETTLEMENT. THE FIRM CEASED OPERATIONS IN 1975 WITHOUT INDEMNIFYING ITS EMPLOYEES OR NOTIFYING MEXICAN CUSTOMS.

2. EMPLOYEES BROUGHT MATTER TO THE ATTENTION OF THE LOCAL BOARD OF ARBITRATION AN CONCILIATION. THAT AUTHORITY RULED IN FAVOR OF THE EMPLOYEES, GRANTING THEM OWNERSHIP OF THE FIRM'S EQUIPMENT IN LIEU OF THE INDEMNIFICATION TO WHICH THEY WERE ENTITLED UNDER MEXICAN LABOR LAW AND WHICH THEY HAD NOT RECEIVED. SINCE ARTES GRAFICAS DE JUAREZ, S.A. CEASED ITS OPERATIONS WITHOUT PURSUING THE PROPER COURSE OF ACTION FOR SO DOING, THE BOARD OF ARBITRATION AND CONCILIATION TAKES POSITION THAT THE FIRM OWES ITS EMPLOYEES SALARIES, CHRISTMAS BONUS AND VACATION PAY, WHICH, WE ARE UNCLASSIFIED

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INFORMED, AMOUNTS TO OVER TWO MILLION PESOS (160,000 U.S.)

TO DATE.

3. SINCE OWNERSHIP OF FIRM'S EQUIPMENT HAS BEEN VESTED IN THE FIRM'S EMPLOYEES BY BOARD OF ARBITRATION AND CONCILIATION, AND SUCH EQUIPMENT HAS BEEN EMBARGOED BY MEXICAN CUSTOMS, IT APPEARS THAT THE ONLY WAY FOR MR. SHAFER TO REGAIN OWNERSHIP OF THE MACHINERY AND EFFECT ITS REMOVAL TO THE UNITED STATES IS TO ARRIVE AT SETTLEMENT WITH THE EMPLOYEES AS WELL AS WITH MEXICAN CUSTOMS. IN VIEW OF THE MANY RAMIFICATIONS AND COMPLEXITIES OF THIS MATTER, WE SUGGEST MR. SHAFER ENGAGE A LOCAL ATTORNEY TO REPRESENT HIM IN HIS DEALINGS WITH THE EMPLOYEES AND MEXICAN CUSTOMS. MR. ROBERT TAYLOR, WHO HAD BEEN GENERAL MANAGER OF ARTES GRAFICAS DE JUAREZ, S.A. INFORMED US IN NOVEMBER THAT THE FIRM HAD HIRED ALEJANDRO GONZALEZ BAZ, A LOCAL ATTORNEY, TO REPRESENT IT. HOWEVER, WE HAVE BEEN INFORMED THAT THAT ATTORNEY IS NOT REPEAT NOT REPRESENTING ARTES GRAFICAS DE JUAREZ, S.A. MR. FEDERICO BARRIO, WHOM WE UNDERSTAND HAS REPRESENTED THE FIRM'S INTERESTS IN THE PAST, IS OUT OF THE CITY AND FOR THAT REASON WE HAVE BEEN UNABLE TO DISCUSS MATTER WITH HIM. WE WILL DO SO UPON HIS RETURN AND FURNISH ADDITIONAL INFORMATION AT THAT TIME.

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